

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA
DOCKET NO. 90-373-C - ORDER NO. 95-1374 ✓
JULY 21, 1995

IN RE: Application of Coast International,) ORDER
 Inc. for a Certificate of Public) ON RULE TO
 Convenience and Necessity.) SHOW CAUSE

This matter comes before the Public Service Commission of South Carolina (the Commission) by way of Commission Order No. 95-241, dated February 1, 1995, in which the Commission ordered Coast International, Inc. (Coast or the Respondent) to appear and show cause why its Certificate of Public Convenience and Necessity should not be revoked for the employment of unfair and/or fraudulent marketing techniques within South Carolina.

On July 6, 1995 at 10:30 a.m., a public hearing regarding the Rule to Show Cause was held in the Commission's Hearing Room at 111 Doctors Circle, Columbia, South Carolina. The Honorable Rudolph Mitchell, Chairman, presided. The Commission Staff was represented by Florence P. Belser, Staff Counsel; the Respondent was represented by Frank R. Ellerbe, III, Esquire. F. David Butler testified for the Commission Staff, and Bijan Moaveni testified on behalf of Coast.

~~Mr. Butler related an incident to the Commission which~~
occurred on January 27, 1995, and which involved a telephone

conversation that he had with a telemarketer from Coast. According to Mr. Butler, he answered a telephone call transferred from Commissioner Arthur. The caller stated that he was from the "Rate Reduction Center" and that his company was under contract with Southern Bell. Mr. Butler testified that the caller implied that he could save money for Mr. Butler on his long distance bills because of this contract with Southern Bell. Only after further questioning, did Mr. Butler learn that the telemarketer was associated with the Respondent, Coast. Mr. Butler explained that the he found three areas where the telemarketer erred. First, the telemarketer failed to disclose originally the real name of his company. Second, the telemarketer implied that the contract with Southern Bell would lead to long distance savings when in fact the contract was for billing services only. Third, when Mr. Butler requested a phone number with which to verify the information of the telemarketer, the telemarketer gave Mr. Butler an inactive phone number.

Bijan Moaveni, President of Coast, testified in response to the Rule to Show Cause Order. Mr. Moaveni expressed regret over the incident and explained what action Coast has taken in response to the call. Mr. Moaveni testified at the time of the call with Mr. Butler that Coast was just venturing into the telemarketing arena. He explained that Coast had a prepared script for their agents to use when making telemarketing calls and stated that the telemarketer had deviated from the prepared script during his presentation to Mr. Butler. Regarding the inactive telephone

number that was given to Mr. Butler, Mr. Moaveni explained that the correct telephone number was one digit off from the number given to Mr. Butler. Mr. Moaveni stated that after Coast's investigation of this incident that both the agent and his supervisor were terminated from employment with Coast. Further, in response to the Rule to Show Cause, Coast voluntarily suspended telemarketing calls to South Carolina until the results of this proceeding are known. Mr. Moaveni also described new training of their telemarketing agents and provided a copy of the current telemarketing script for Commission review.

Based upon the testimony and evidence presented at the Rule to Show Cause hearing, the Commission is of the opinion, and so finds, that the Certificate of the Respondent should not be revoked and that no probationary period should be imposed upon the Respondent. The Commission will not condone false or misleading telemarketing practices by certificated carriers. However, while the Commission believes that the incident as recounted by Mr. Butler involved misleading practices, the Commission is impressed by the sincerity and obvious concern over this incident demonstrated by Mr. Moaveni and Coast and believes that Coast has taken appropriate measures to prevent this type of incident from happening again.

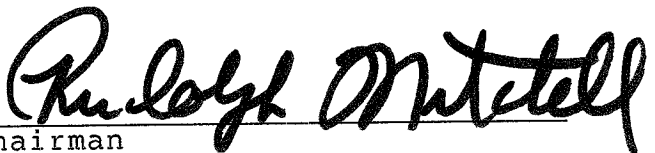
The Commission has reviewed the script which the Coast telemarketers are to use in their presentations to potential customers, and the Commission hereby orders Coast to conduct its telemarketing practices in a manner consistent with the prepared

script that was reviewed by the Commission.

IT IS THEREFORE ORDERED THAT:

1. This Rule to Show Cause is hereby dismissed.
2. Coast shall conduct its telemarketing practices in a manner consistent with the prepared script that was presented at the hearing.
3. This Order shall remain in full force and effect until further Order of the Commission.

BY ORDER OF THE COMMISSION:


Chairman

ATTEST:


Deputy Executive Director
(SEAL)